

HOUSE BILL 823
By Head

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to taxation of telecommunications services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-102(a)(28), is amended by deleting that subdivision in its entirety and substituting the following:

(28) "Service address" means a location of telecommunication equipment from which the telecommunications services are originated or at which telecommunication services are received by the consumers. In the event this may not be a defined location, as in the case of maritime systems, air-to-ground systems and the like, "service address" means the location of the consumer's primary use of the telecommunication equipment as defined by the telephone number, authorization codes, or location in Tennessee where bills are sent. For post-paid calling services, the "service address" means the origination point of the telecommunications signal as first identified by the seller's telecommunications system, or the origination point received by the seller from its service provider where the system used to transport such signal is not that of the seller. The recharge of a prepaid telephone calling card shall be subject to sales tax if the customer's service address is located in Tennessee.

SECTION 2. Tennessee Code Annotated, Section 67-6-102, is further amended by adding the following new subsection to be appropriately designated:

(35) "Post-paid calling service" means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service. A post-paid calling service includes a telecommunications service that would be a prepaid calling service except it is not exclusively a telecommunications service.

SECTION 3. The provisions of section 1 of this act shall take January 1, 2004, the public welfare requiring it. The remaining provisions of this act shall take effect upon becoming a law, the public welfare requiring it.